

CONTRACT #10
RFS # 318.65-210

**Department of Finance &
Administration**

Bureau of TennCare

VENDOR:
Fox Systems, Inc.

RECEIVED

JAN 22 2007

FISCAL REVIEW



STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

January 18, 2007

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Ms. Leni Chick

RE: Bureau of TennCare
Fox Systems, Inc. Amendment #1, FA-06-16795-00

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee amendment #1 to Fox Systems, Inc., FA-06-16795-00.

This amendment is required to provide additional services relevant to the provision of the National Provider Implementation (NPI) project. This function has been mandated by the Center for Medicare and Medicaid Services to be performed by each state.

Fox Systems has been selected by CMS to be the national enumerator of healthcare providers. Fox, therefore, will prove to be a tremendous asset in helping convert the MMIS to an NPI compliant system.

The specific tasks associated with NPI include gathering documentation of policies procedures and systems' analysis of interfaces, reports and windows; assessment of business policies and processes; remediation plan; provider cross-walk; development phase project management and IV&V, operations and maintenance phase project management and IV&V, as well as other NPI related duties

Mr. Jim White, Director
January 18, 2007
Page 2

The Bureau of TennCare would greatly appreciate the consideration and approval of this amendment by the Fiscal Review Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Pierce", followed by a long horizontal line extending to the right.

Scott Pierce
Chief Financial Officer

cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	318.65-210	
2) State Agency Name :	Department of Finance and Administration, Bureau of TennCare	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Consulting Services for Procurement of System Management and Business Process Management Services	
4) Contractor :	Fox Systems, Inc.	
5) Contract #	FA-06-16795-00	
6) Contract Start Date :	June 1, 2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	May 31, 2009	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$3,092,240.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	1	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	Upon Execution	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	May 31, 2009	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$4,867,370.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
<p>This amendment is required to provide additional services relevant to the provision of the TennCare National Provider Implementation (NPI) project. This function has been mandated by the Center for Medicare and Medicaid Services to be performed by each state. The tasks associated with NPI include the gathering of documentation of policies procedures and systems' analysis of interfaces, reports and windows; assessment of business policies and processes; remediation plan; provider cross-walk; development phase project management and IV&V, operations and maintenance phase project management and IV&V; as well as other NPI related duties.</p>		

15) Explanation of Need for the Proposed Amendment :

These additional scopes of services associated with the NPI project have been identified based on CMS requirements and are being performed by Fox Systems, Inc. based on experience and the high level of expertise that can be provided by this Contractor.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Susan Fox , President
Fox Systems, Inc.
6263 N. Scottsdale Road, Suite 200
Scottsdale, AZ 85250

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

☒

Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

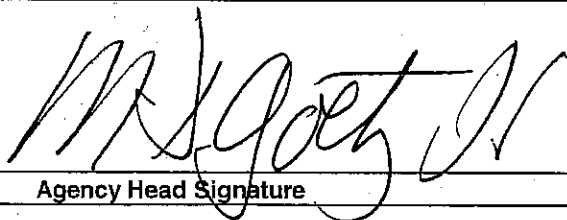
The Bureau of TennCare released an RFP for Consulting Services for Procurement of System Management and Business Process Management Services. Fox Systems, Inc., one of three proposers responding to this RFP, was evaluated and determined to be the best combination of technical and cost proposal submitted; therefore they were awarded this contract. This amendment is adding specific scopes of service to their contract that was not included in the original RFP, making this a non-competitive amendment.

21) Justification for the Proposed Non-Competitive Amendment :

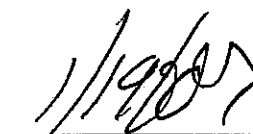
Fox Systems, Inc. has a proven history of expertise and invested knowledge with the Bureau of TennCare. They were evaluated and awarded their current contract based on their proposal submitted in response to an RFP. It is critical to the TennCare program that the new scopes of services included in this amendment are performed by a contractor both knowledgeable about Information Systems as well as the specific TennCare program, therefore, we are requesting favorable approval by the Department of Finance and Administration.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature



Date

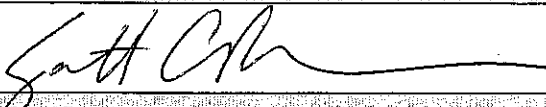
C O N T R A C T S U M M A R Y S H E E T

021406

RFS #		Contract #	
318.65-210		FA-06-16795-01	
State Agency		State Agency Division	
Department of Finance and Administration		Bureau of TennCare	
Contractor Name		Contractor ID # (FEIN or SSN)	
Fox Systems, Inc.		C- or X V-	680121468 00
Service Description			
Consulting Services for Procurement of System Management and Business Process Management Services			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
June 1, 2006	May 31, 2009	vendor	93.778 Dept. of Health & Human Services/Title XIX

Mark Each TRUE Statement

<input checked="" type="checkbox"/> Contractor is on STARS			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
318.65	198	134	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	0	0			0
2007	\$285,243.00	\$2,567,189.00			\$2,852,432.00
2008	\$134,531.00	\$1,310,779.00			\$1,345,310.00
2009	\$66,963.00	\$602,665.00			\$669,628.00
TOTAL:	\$486,737.00	\$4,380,633.00			\$4,867,370.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Scott Pierce 310 Great Circle Road Nashville, TN 37243 (615) 507-6415
2006			State Agency Budget Officer Approval
2007	\$1,952,432.00	\$900,000.00	
2008	\$470,180.00	\$875,130.00	
2009	\$669,628.00		
TOTAL:	\$3,092,240.00	\$1,775,130.00	Funding Certification (certification, required by T.C.A., §9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
End Date:	May 31, 2009	May 31, 2009	

Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged—			
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	Negotiation w/ Government (e.g., ID, GG, GU)		<input type="checkbox"/> Other
Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			

**AMENDMENT #1
TO CONTRACT # FA-06-16795-00
BETWEEN THE DEPARTMENT OF FINANCE AND ADMINISTRATION
BUREAU OF TENNCARE
AND FOX SYSTEMS, INC.**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the State or TennCare, and Fox Systems, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section A.9 to Scope of Services:

- A.9. The Contractor shall provide resources during the implementation and post-implementation period of the TennCare National Provider Implementation (NPI) project. The Contractor resources shall include Project Manager(s), Business Analysts, Technical Analysts, and Regulatory Experts. The hours shall be delivered based on the requirements and personnel classifications as established in section A.4 and according to established hourly rates in Section C.3. The NPI tasks shall consist of:
- a. Kick-Off
 - b. Gather Documentation of Policies, Procedures, and Systems
 - c. Analysis of Interfaces, Reports, and Windows
 - d. Assessment of Business Policies and Processes
 - e. Impact and Gap Analysis
 - f. Remediation Plan
 - g. Provider Cross-walk
 - h. Remediation Prep Work
 - i. Development Phase Project Management and IV&V
 - j. Integration and Test Phase Project Management and IV&V
 - k. Implementation Phase Project Management and IV&V
 - l. Operations and Maintenance Phase Project Management and IV&V
 - m. Provider Data Correction Assistance
 - n. Other NPI-Related duties

2. Delete Section C.1 in its entirety and insert the following in its place:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Million Eight Hundred Sixty-Seven Thousand Three Hundred Seventy Dollars (\$4,867,370.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

3. Add the following language to Section D, Standard Terms and Conditions:

D.20. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document as Attachment C, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the contractor and made available to state officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this contract.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

FOX SYSTEMS, INC.:

Mark Shishida, Chief Executive Officer

Date

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

ATTACHMENT C

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	FA-06-16795-00
CONTRACTOR LEGAL ENTITY NAME:	Fox Systems, Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	680121468 00

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

SIGNATURE & DATE:

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

CONTRACT SUMMARY SHEET

021406

RFS #

318.65-210

Contract #

FA-06-16795-00

State Agency

State Agency Division

Department of Finance and Administration

Bureau of TennCare

Contractor Name

Contractor ID # (FEIN or SSN)

Fox Systems, Inc.

C- or X V-

680121468 00

Service Description

FUNDING REVISION - MOVING \$800,000.00 FROM FY '08 INTO FY '07

Consulting Services for Procurement of System Management and Business Process Management Services

Contract Begin Date

Contract End Date

SUBRECIPIENT or VENDOR?

CFDA #

June 1, 2006

May 31, 2009

vendor

93.778 Dept. of Health & Human Services/Title XIX

Mark Each TRUE Statement

☒ Contractor is on STARS

☒ Contractor's Form W-9 is on file in Accounts

Allotment Code

Cost Center

Object Code

Fund

Funding Grant Code

Funding Subgrant Code

318.65

198

134

11

FY

State

Federal

Interdepartmental

Other

TOTAL Contract Amount

2006

0

0

0

2007

\$195,244.00

\$1,757,188.00

\$1,952,432.00

2008

\$47,018.00

\$423,162.00

\$470,180.00

2009

\$66,963.00

\$602,665.00

\$669,628.00

TOTAL:

\$309,225.00

\$2,783,015.00

\$3,092,240.00

— COMPLETE FOR AMENDMENTS ONLY —

FY

Base Contract & Prior Amendments

THIS Amendment ONLY

State Agency Fiscal Contact & Telephone #

Scott Pierce
310 Great Circle Road
Nashville, TN 37243
(615) 507-6415

State Agency Budget Officer Approval

[Signature]

Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)

TOTAL:

End Date:

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)

☐ African American

☐ Person w/ Disability

☐ Hispanic

☐ Small Business

☐ NOT minority/disadvantaged

☐ Asian

☐ Female

☐ Native American

☐ OTHER minority/disadvantaged

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)

☒ RFP

☐ Competitive Negotiation

☐ Alternative Competitive Method

☐ Non-Competitive Negotiation

Negotiation w/ Government (e.g., ID, GG, GU)

☐ Other

Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

OCR RELEASED

DEC 08 2006

TO ACCOUNTS

DEC 07 2006


C O N T R A C T S U M M A R Y S H E E T

021406

RFS #	Contract #	
318.65-210	FA-06-16795-00	
State Agency	State Agency Division	
Department of Finance and Administration	Bureau of TennCare	
Contractor Name	Contractor ID # (FEIN or SSN)	
Fox Systems, Inc.	C- or X V-	680121468 00

Service Description			
Consulting Services for Procurement of System Management and Business Process Management Services			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
June 1, 2006	May 31, 2009	vendor	93.778 Dept. of Health & Human Services/Title XIX

Mark Each TRUE Statement					
<input checked="" type="checkbox"/> Contractor is on STARS			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
318.65	198	134	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2006	0	0			0
2007	\$115,244.00	\$1,037,188.00			\$1,152,432.00
2008	\$127,018.00	\$1,143,162.00			\$1,270,180.00
2009	\$66,963.00	\$602,665.00			\$669,628.00
TOTAL:	\$309,225.00	\$2,783,015.00			\$3,092,240.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Scott Pierce 310 Great Circle Road Nashville, TN 37243 (615) 507-6415
			State Agency Budget Officer Approval
			
			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL:			
End Date:			

Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	Negotiation w/ Government (e.g., ID, GG, GU)		<input type="checkbox"/> Other
Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			

RECEIVED
 2006 JUN -11 PM 2:11
 COMPTROLLER'S OFFICE
 DEPT. OF REVENUE
 MANAGEMENT